MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023 (TERM ID 2210)

BSM3614 – STRATEGY

(All sections / Groups)

8 February 2023
2.30 PM – 5.30 PM
(3 hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of 4 pages (*excluding* this cover page) with 5 questions only.

2. Attempt **ALL FIVE (5)** questions and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

ANSWER ALL QUESTIONS (100 MARKS)

Question 1

Toyota looks at hybrid electric technology as immediate first step to achieving its net zero carbon goals

As one of the leading automobile manufacturers in the world, Toyota is serious about sustainability. The Japanese automotive brand has already announced that it is speeding up its net zero carbon emissions target for factories to 2035 from its previous deadline of 2050. Toyota is taking a highly strategic approach to decarbonization. This includes adopting new technologies in coating and casting processes in its factories. The automaker is also stepping up the use of renewable energy in its manufacturing processes. It is powering ahead with its hybrid electric technology to drive its sustainable motoring movement. In recent years, Toyota has announced hybrid electric technology would play a significant role in reducing emissions to help it achieve carbon neutrality. This important sustainable push is set to take place in Malaysia with UMW Toyota Motor by officially launching the technology in the local market.

Transforming the local automotive landscape

As one of the pioneers of hybrid electric technology, Toyota has been at the forefront of developments and advancements. It revolutionized the segment in 1997 with the introduction of the first-generation hybrid electric vehicles (HEVs). With its extensive experience developing this technology, UMW Toyota Motor has set its sights on revolutionizing the local automotive landscape by bringing Malaysian motoring into a new era with HEVs. "For the immediate future, we are absolutely positive that the HEV is the most accessible and realistic choice for Malaysian customers in terms of practicality and infrastructure, with an enormous potential for the local market," says UMW Toyota Motor deputy chairman Akio Takeyama. In addition, HEVs serve as a realistic bridge towards vehicle electrification while efforts are still being undertaken to help realize enablers for battery electric vehicles (BEVs) such as cost reduction and infrastructure development.

Tomorrow's technology, today

For the Malaysian market, Toyota HEVs present the most realistic, immediate, economical and practical solution for mass-market production. This is in relation to reduced CO emissions, practical usage and price acceptance by consumers. Based on the current energy mix in the country, HEVs are equally as effective as BEVs in terms of CO emissions, as well as having similar values in the process of vehicle production, energy generation and ownership over a period of 10 years. With Toyota HEVs being at their most advanced today, the vehicles present a smart yet fun and powerful driving experience. Additionally, the HEVs do not require any new infrastructure to be built such as charging stations. They negate the need to be charged, thus completely eliminating any anxiety users may have in terms of limited driving range. For Malaysian consumers, Toyota HEVs offer an environmentally conscious alternative with zero compromise on performance. Each HEV

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is backed by a highly efficient petrol engine with dual electric motors, providing efficiency, drivability, performance and a long range between refuelling, with the added benefit of lower emissions.

With Toyota making advances in its hybrid electric technology in Malaysia, it fuels the automaker's ambition of achieving its target of net zero carbon emissions. This approach is proving to be beneficial for the local automotive industry as well as Malaysian consumers.

Toyota's hybrid electric technology is set to contribute to Malaysia's ambition of becoming a hub for advanced technologies while reducing its carbon footprint. It will also serve as a foundation for advancing future policies and act as a pathway for consumers to accept vehicle electrification in the near future. The 2022 National Budget announced a 100% elimination of all taxes on EVs in Malaysia, including import and excise duties, as well as road tax. In addition, an income tax relief of up to RM2,500 for those who have purchased, rented, or have been paying to charge their electric vehicle.

Sources:https://www.theedgemarkets.com/content/advertise/toyota-looks-hybrid-electric-technology-immediate-first-step-achieving-its-net-zero-carbon
https://techwireasia.com/2021/11/malaysias-getting-rid-of-ev-taxes-but-will-it-be-enough/

Prepare a SWOT analysis in detail for UMW Toyota Motor based on the above case.
(20 Marks)

QUESTION 2

Mission statement of Tangy Company is provided below. Assess the mission statement and identify the components that have been included.

"Tangy Company is committed to provide the best quality of healthy food worldwide. We emphasize on customer satisfaction as our priority and the customers can experience the taste of quality breakfast and snack by relaying their satisfaction on us. Tangy Company is known for using advanced technology in production. Tangy Company is focused on growth throughout the world. Employees of Tangy Company are the foundation of the company and they are the driving force behind our name. Tangy Company is continuously ensuring all product sources and processes are protecting the environmental sustainability. Tangy Company's branding and product quality are the main pillars of the operations."
(20 Marks)

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Question 3

Meters Limited

Meters Limited is a company engaged in the designing, manufacturing, and marketing of instruments like speed meters, oil pressure gauges, and so on, that are fitted into two and four wheelers. Their current investment in assets is around RM. 1 million and their last year turnover was RM 1.5 million, just adequate enough to breakeven. The company has been witnessing over the last couple of years, a fall in their market share prices since many customers are switching over to a new range of electronic instruments from the range of mechanical instruments that have been the mainstay of Meters Limited. The company has received an offer from a competitor who is similarly placed in respect of product range. The offer implied the following:

(i) transfer of the manufacturing line from the competitor to Meters Limited;

(ii) manufacture of mechanical instruments by Meters Limited for the competitor to the latter's specifications and brand name; and

(iii) marketing by the competitor.

The benefits that will accrue to Meters Limited will be used for its installed capacity and appropriate financial compensation for the manufacturing effort. The production manager of Meters Limited has welcomed the proposal and points out that it will enable the company to make an additional secured profit. However, the sales manager is doubtful about the suggestion since the demand for mechanical instruments is shrinking. Due to conflicting perspectives, the chief executive is studying the offer.

a) What is divestment strategy? Do you see it being practiced in the given case? Explain.
(10 Marks)

b) What is stability strategy? Should Meters Limited adopt it?
(10 Marks)

Question 4

Blast Furnace, Inc., (BFI)

Blast Furnace, Inc., (BFI) provides customized development of automated rich-media applications, and scalable solutions that allow media and entertainment companies, as well as enterprises and government organizations, to deploy, manage and distribute video content on IP-based networks. The company was founded in 1997 and went public in 2004; its stock trades on the National Association of Securities Dealers Automated Quotations (NASDAQ), an American stock exchange. While providing solutions to a variety of firms and industries in North America, BFI has experienced its fastest growth with the security products that it designs and sells to the U.S. government and U.S. government agencies.

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This growth is based on its propriety VUE software, which is a complete identification solution for capturing, analysing, and managing multi-biometric information. Proprietary analysis algorithms aggregate and cross-compare multiple biometrics to increase accuracy and lessen dependence on single identification techniques. Additionally, specialized encoding techniques reduce file size and increase analysis and response times. VUE supports a wide range of applications ranging from ID issuance and verification to gated entry screening for border patrol, airports, government buildings, and corporations. Essentially, VUE is able to process massive amounts of digitized multimedia files to create a unified ID detailed report of an individual and then identify those individuals rapidly anywhere in the data. Such a capability is of great interest to security organizations, particularly since the World Trade Center bombing, because it allows the user to identify suspects within minutes on a real-time basis anywhere digitized media is being created (like that created by the hidden and visible surveillance cameras in airline terminals, banks, ATMs, and other public locations). Once a suspect is entered into the system, the software is capable of scanning all data sources automatically and without stop. For two years, BFI has had this market to itself but now two new entrants, a Belgian start-up and the subsidiary of a Finnish telecom firm, are staking out positions in large non-U.S. markets such as Europe and Asia. BFI's management fears that if it limits its efforts to North America, then these aggressive competitors may eventually develop strongholds in other markets from which they can launch successful attacks on BFI's home turf.

a) Assume that BFI has chosen international expansion. How quickly should it move? Which activities would you recommend BFI to internationalize first?

(10 Marks)

b) How would you evaluate which country or countries BFI should enter first?

(10 Marks)

Question 5

a) Discuss the three stages of strategic management process.

(10 Marks)

b) Identify any **FIVE (5)** reasons why strategy evaluation is becoming more difficult today?

(10 Marks)

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